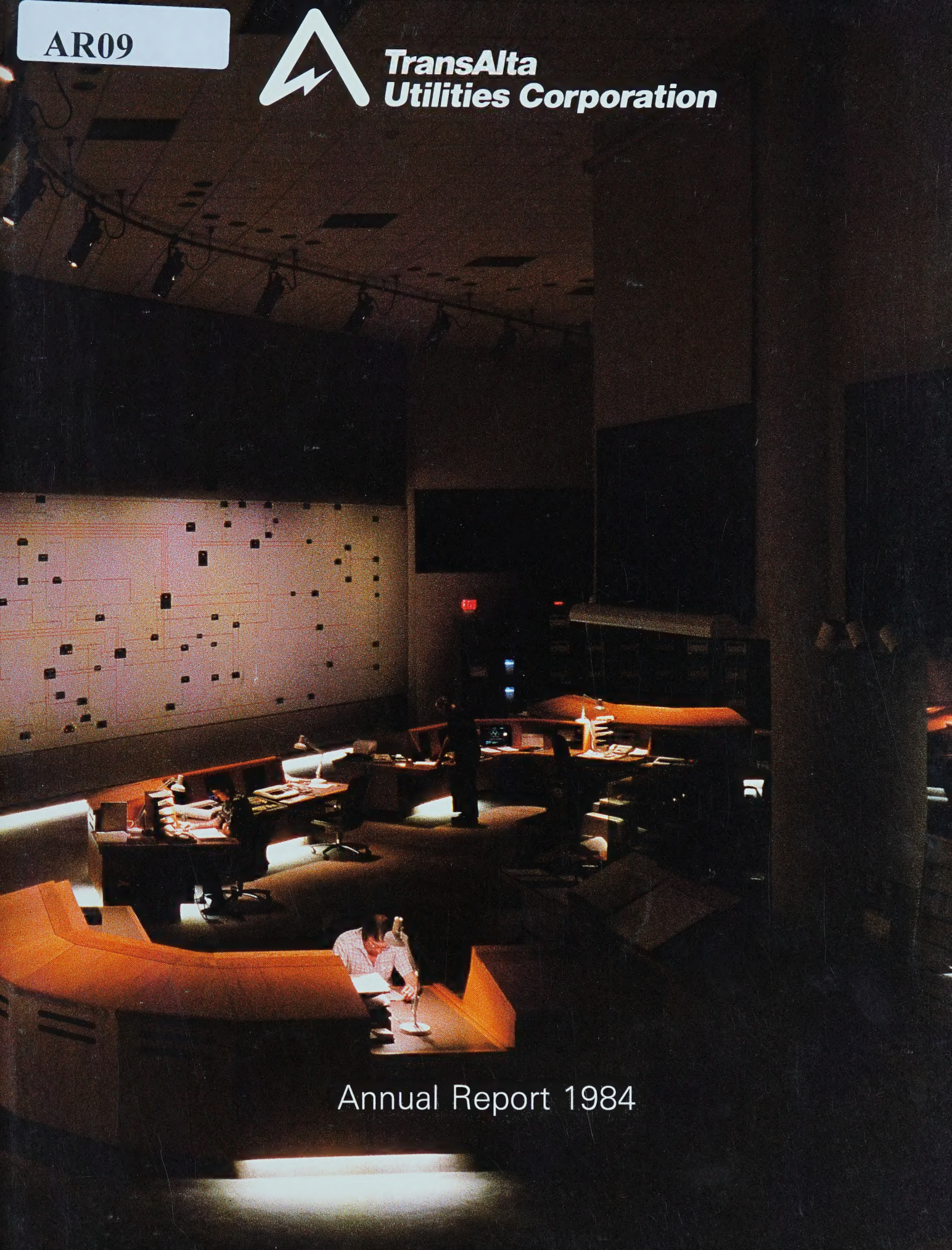


AR09



**TransAlta
Utilities Corporation**



Annual Report 1984

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Cover Photo

Regional system control centres in Edmonton and Calgary were consolidated in this one System Control Centre during 1984.

Shareholders' Meeting

Shareholders are invited to attend the Annual and Special Meeting to be held at 10:00 a.m. on May 9, 1985 at the Palliser Hotel, 133 - 9th Avenue S.W., Calgary, Alberta. If you are unable to attend, please complete and return your proxy to assure representation at the meeting.

Financial Statistical Summary

A summary providing additional financial information on the Corporation over a ten year period is available on request. Please direct inquiries to:

The Treasurer
TransAlta Utilities Corporation
Box 1900
Calgary, Alberta T2P 2M1
Telephone (403) 267-7253

Primary business	Generation and distribution of electricity
Net generating capability	4,110 MW
Service area	212,000 sq. km
Number of direct customers	279,164
Number of indirect customers (served through wholesale contracts)	292,324
Number of staff positions (including Farm Electric Services Ltd.)	2,477
Number of common and preferred shareholders	50,030
Percentage of common and preferred shares registered in Canada	99.8

1984 in Brief

□ Electric energy sales increased from 15,854 million kilowatt-hours in 1983, to 17,483 million kilowatt-hours in 1984, an increase of 10.3 per cent. Peak demand in the winter of 1984-85 was 3,000 megawatts, an increase from 2,812 megawatts experienced the previous year.

□ The Corporation's coal mines produced a total of 12.8 million tonnes during 1984, as compared to 11.6 million tonnes the previous year.

□ Total additions to property for 1984 were \$306.5 million compared to \$491.9 million in 1983.

□ In January 1985 the Alberta Public Utilities Board approved an interim rate increase of 1.81 per cent and a four-

month "revenue rider" of five per cent, effective February 1, 1985. The "revenue rider" will recover the balance of the revenue requirement for 1984 and the sums that will be collected have been included in the Corporation's 1984 revenue.

□ Unit Two, with 400-megawatt capacity, was commissioned at the Keephills Generating Plant in June 1984.

□ Construction continued at the Sheerness Generating Plant in which the Corporation owns a one-half interest. The first 400-megawatt unit is scheduled for completion by 1986.

□ Additional steps were taken toward the construction of a 500-kV transmission line to strengthen the interconnection with B.C. Hydro in the Crowsnest Pass area of southern Alberta by 1986.

Financial Results in Brief

	1984	1983
Total Assets	\$3,516,887,000	\$3,295,713,000
Capitalization	\$3,071,179,000	\$2,808,317,000
Gross Revenue from Operations	\$ 759,744,000	\$ 631,724,000
Earnings Applicable to Common Shares	\$ 183,693,000	\$ 148,820,000
Earnings per Common Share	\$2.88	\$2.74
Dividends Declared per Common Share	\$1.48	\$1.38

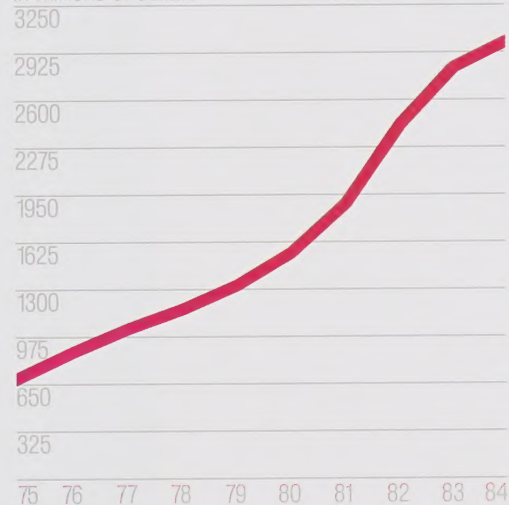
Gross Revenue from Operations 1975-84

in millions of dollars



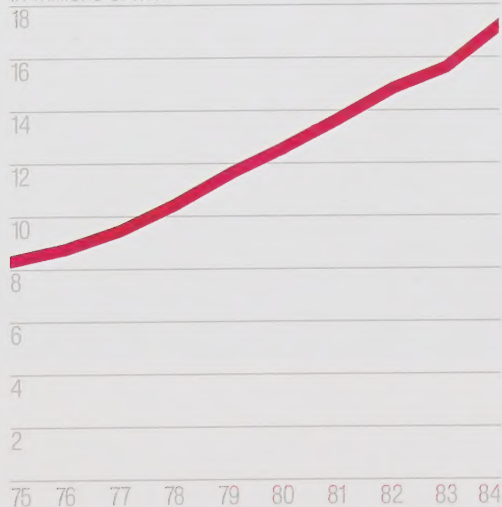
Property Account 1975-84

in millions of dollars

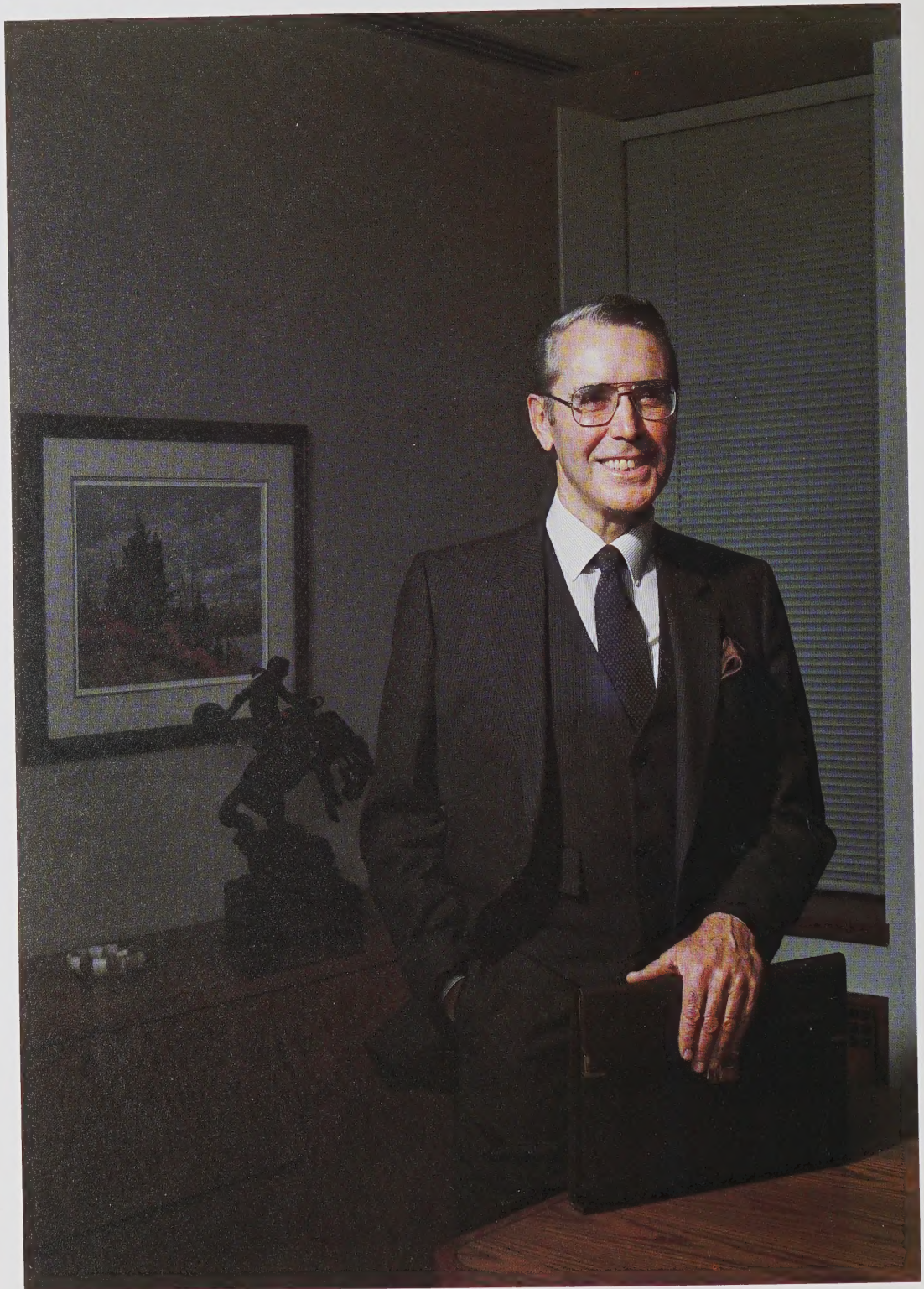


Electric Energy Sales 1975-84

in millions of kWh



*Marshall M. Williams,
Chairman of the Board and
President of TransAlta
Utilities Corporation.*



Report to Shareholders

Providing safe, reliable electric service at reasonable cost while earning a fair return for shareholders is the primary corporate objective of TransAlta Utilities Corporation. Efforts continue to make the Corporation more cost effective and increasingly efficient in the use of available resources. Its success in carrying out that mission would not be possible without the dedication and skills of employees.

TransAlta believes that people are an essential ingredient and provide the competitive edge in any well-managed corporation. The Corporation has been fortunate in attracting employees with a high level of commitment and skill and has attempted to provide a working environment which encourages participation and recognizes employees for their contributions. TransAlta continues to promote the development of an even more effective organizational team to meet new and changing internal and external conditions.

The year 1984 was one of continued growth, with energy sales to TransAlta's customers up 10.3 per cent compared to the previous year, mainly due to the connection of new industrial plants. In response to current economic conditions with lower projected rates of growth, the Corporation is shifting emphasis from engineering and construction to operations. This refocusing comes naturally, since customer service and efficient operations have had a high priority throughout the Corporation's history.

While the growth experienced during 1984 was high, it is anticipated that for the next few years the level of growth will be reduced from previous years. This level nevertheless surpasses those of many electric utilities in North America. Encouraged by the spirit of cooperation evident between the Federal and Provincial Governments, as well as by the initiative of the Provincial Government in providing

a new sense of direction for the provincial economy, TransAlta is well-positioned to respond should a higher level of economic activity occur in the Province.

Earnings per common share were \$2.88 in 1984, compared to \$2.74 in 1983. On a fully diluted basis earnings per common share were \$2.81 in 1984, compared to \$2.54 in 1983. The increase in net earnings applicable to common shares remains commensurate with the increase in average common shareholders' investment. Effective January 1, 1985, the quarterly common share dividend has been increased from \$0.36 to \$0.40 per share.

Gross revenue increased 20 per cent over 1983 to \$759.7 million; operating deductions were up 16 per cent to \$463.0 million. Construction expenditures, reflecting lower growth, were down considerably to \$306.5 million, compared to \$491.9 million in 1983. The Corporation raised \$236.7 million externally to finance these expenditures, compared to \$291.2 million in 1983.

Two significant events during the year were start-up of the second generating unit at the Keephills Generating Plant and commissioning of a new dragline at the Highvale Mine. With these additional facilities, the efficiency of the Corporation is further enhanced, the two units at Keephills having the lowest operating costs in the Province.

Late in 1983 the Corporation filed with the Public Utilities Board for new rates based on its 1984 forecast revenue requirement. Hearings took place during 1984 and the Board's decision on TransAlta's 1984 revenue requirement was issued on November 27. In January 1985 the Board approved an interim rate increase of 1.81 per cent and a four-month "revenue rider" of five per cent, effective February 1, 1985. The "revenue rider" will recover the balance of the revenue requirement for 1984 and accordingly this amount has been included in the Corporation's 1984 revenue.

Earnings per Common Share 1975-84



Common Shareholders' Equity 1975-84



The two graphs above show the Corporation's earnings per common share and common shareholders' equity over the last ten years. Earnings per common share have risen steadily commensurate with the increase in common shareholders' equity. This reflects the high level of growth experienced by the Corporation over the decade as well as the increased capital requirements which were necessary in order to build new facilities to meet customer demand.

In December 1983, in light of reduced growth in demand for electric energy, the Alberta Energy Resources Conservation Board ordered that the commissioning dates of Alberta Power Limited's and TransAlta's Sheerness Generating Plant and Edmonton Power's Genesee Generating Plant be deferred. In addition the utilities were directed, by the end of 1984, to satisfy the Board that further delays were not warranted. Subsequently, in late 1984 TransAlta and Alberta Power each made a submission requesting further deferral of the second generating unit at Sheerness as well as the two units under construction at Genesee. These requests were based on a revised electric load forecast issued during 1984 by the Electric Utility Planning Council, the joint utility organization which prepares electric load forecasts and recommends the timing of major generating and transmission additions. This forecast shows reduced growth levels from forecasts of previous years. The hearing to review these submissions was held in January 1985 and a decision is pending.

TransAlta Resources Corporation, the principal subsidiary of TransAlta Utilities, experienced increased activity during the year. It was formed in 1981 to segregate non-regulated operations and investments from regulated operations of TransAlta Utilities.

TransAlta Resources has taken additional positive steps to diversify its operations. TransAlta Energy Systems, a new division established by TransAlta Resources in 1983, is marketing energy management building control systems and has opened offices in eight locations across Canada. Also, through its 50 per cent ownership of Keyword Office Technologies Ltd., TransAlta Resources is involved in office services and automation and related research. Production and marketing of the Keyword 7000, a computer hardware and software system designed to achieve communications between otherwise incompatible word processors, is well advanced.

Another major investment, Canada Northwest Energy Limited, experienced a successful year. It continues oil and

gas exploration and development, particularly in the Mediterranean Sea.

In November 1984, TransAlta Resources sold 817,082 shares of Canadian Utilities Limited. This sale and the exercise of warrants issued in 1983 which enable the bearer to purchase by December 1987 the remaining Canadian Utilities shares held by TransAlta Resources, will satisfy the divestiture agreement between TransAlta Utilities and Canadian Utilities.

Throughout the year TransAlta Utilities continued to place emphasis on improved efficiency and productivity. The efficient application of computers in all areas of the organization together with management, supervisory and skills training programs contribute to the Corporation's continuing success.

During 1984 Mr. A. W. Howard, employed since 1935 and Chairman of the Board since 1973, announced his retirement. He continues to serve as a Director and as a consultant to the Corporation. Mr. M. M. Williams was appointed Chairman of the Board, while retaining responsibilities as President and Chief Executive Officer of the Corporation. In the fall of 1984, two Vice-Presidents retired: Mr. J. A. Clow, Vice-President, Administration, and Mr. E. W. Smith, Vice-President, Customer Service Operations. Mr. R. E. Bergen was subsequently appointed Vice-President, Administration, and Mr. K. G. Teare was appointed Vice-President, Customer Service Operations. Both Mr. Clow and Mr. Smith will provide special services to the Corporation as required. The Board takes this opportunity to thank Messrs. Howard, Clow and Smith for their dedication and significant contributions to the success of TransAlta Utilities.

The foregoing, together with the following reports, are respectfully submitted on behalf of the Board of Directors.



M. M. Williams
Chairman of the Board
and President

February 12, 1985

Corporate Profile

TransAlta Utilities Corporation, incorporated under the laws of Canada and continued by Articles of Continuance under the Canada Business Corporations Act on May 3, 1979, is the largest investor-owned electric utility in Canada and operates in the Province of Alberta. TransAlta Utilities and its predecessors have been engaged in the production and sale of electric energy in the Province since 1911. In 1984 the Corporation supplied either directly, indirectly or through wholesale supply contracts, about 80 per cent of Alberta's electric energy requirements.

Customer Service

When the Corporation started generating electricity some Alberta communities had no electric service and others were supplied with high-cost electricity from small isolated plants that operated only during specified hours. By the mid 1920s, the Corporation had begun an expansion program to provide central station service 24 hours a day to these communities. Expansion has continued over the years and the Corporation now supplies approximately 600 cities, towns, villages and hamlets, as well as about 60,000 farms and other customers in the surrounding rural areas.

Generation

The Corporation owns and operates three coal-fired plants and 13 hydro-electric plants. These plants have a total nominal net generating capability of 4,110 megawatts, the operations of which are combined to achieve minimum overall cost of power. The large coal-fired units supply the base or continuous load, while the hydro-electric plants provide additional electric energy requirements, particularly during peak load periods.

Mining

The Corporation has provided most of its own fuel requirements since 1962. It

owns and operates two large coal mines which together produced about 12.8 million tonnes in 1984. Since the early 1960s the Corporation has been active in reclamation activities and to date has successfully reclaimed 844 hectares (2,085 acres) of land.

Automation

The new System Control Centre in Calgary directs the operation of the transmission system and remotely controls the majority of the switching points on the system. Very soon it will also remotely operate the Corporation's 13 hydro-electric plants and will conduct generation dispatching for all units, including the units at the three coal-fired generating plants.

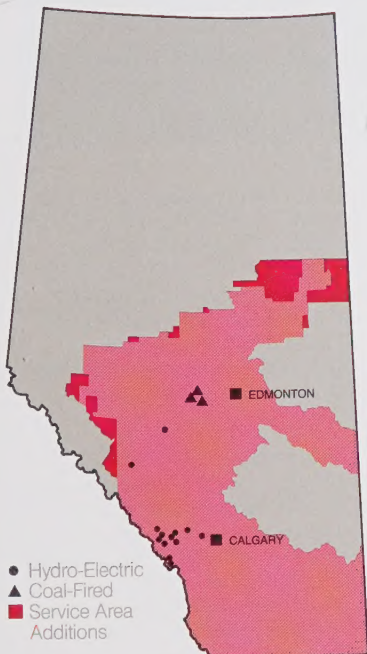
Transmission

The Corporation owns over 62,500 kilometres of transmission and distribution lines. For efficiency and reliability, the system is interconnected with all major power plants in Alberta and with the system in British Columbia. Through the B.C. interconnection, the Corporation is also indirectly connected with the power pool of electric utilities in the north-western United States.

Subsidiaries

In addition to TransAlta Resources, its principal subsidiary, TransAlta Utilities holds investments in three other operating subsidiaries. Farm Electric Services Ltd. organizes, constructs, operates and maintains, at cost, electric distribution systems owned by rural electrification co-operative associations. TransAlta Fly Ash Ltd. processes, for sale, fly ash gathered at TransAlta Utilities' coal-fired generating plants. Kanelk Transmission Company Limited owns transmission facilities extending from TransAlta Utilities' hydro-electric plants on the Kananaskis River through British Columbia to the Crowsnest Pass in southern Alberta. It derives its revenue from the transmission of electric energy over such facilities for TransAlta Utilities.

TransAlta's Generating Plants and Service Area



The map shows the location of TransAlta's hydro and coal-fired generating plants and indicates the new service area which was allocated during 1984.



A. W. Howard

Mr. Howard retired as Chairman of the Board of TransAlta Utilities in 1984. Calgary-born and raised, he joined TransAlta (then Calgary Power) as an apprentice engineer in 1935. He was part of a program in which new recruits spent the first two or three years of employment working in the generating plants, on line construction, in purchasing and in the districts.

In 1939, Mr. Howard was promoted to junior engineer and transferred to Montreal Engineering Company Limited, where he was based for 10 years. He moved back to Calgary in 1949 to resume his duties with Calgary Power, as Executive Assistant to the General Manager, and was again promoted in 1952, this time to General Manager, the position he held until 1959. He was appointed a Director of Calgary Power in 1956, a Vice-President in 1959, President in 1965 and Chairman of the Board in 1973.

TransAlta has experienced spectacular growth during Mr. Howard's career. When he began he

was one of some 200 employees; today that number has grown to almost 2,500. In 1935, the Corporation's total assets were \$25 million, compared to about \$3½ billion currently. In 1936 TransAlta supplied service to approximately 200 farms; the number of farms is now over 60,000. Mr. Howard played a prominent role in the successful achievement of this rapid growth while the Corporation consistently maintained good customer service and strong financial integrity.

Mr. Howard takes pride in TransAlta's strong corporate commitment to customers, investors, employees and the Alberta communities which it serves. As well, he derives great satisfaction that TransAlta is an innovative corporation. An example is the remote control of hydro generating plants from Seebe. "We were among the first to control hydro plants this way. The Corporation was, and still is, a technical forerunner," he says.

Although Mr. Howard has taken retirement as Chairman of the Board, he remains a Director of the Corporation and continues to offer his experience and expertise in a consultant role.

Generation

Peak demand for the winter of 1984-85 was 3,000 megawatts, compared to 2,812 megawatts for the previous period. Electric energy sales to TransAlta's customers increased from 15,854 million kilowatt-hours in 1983 to 17,483 million kilowatt-hours in 1984, an increase of 10.3 per cent, mainly due to the connection of new industrial plants during the year. Since TransAlta is the lowest cost power producer in Alberta, the Corporation was able to sell an additional 3,965 million kilowatt-hours to other electric utilities in the Province. The Corporation produced 80 per cent of the electric energy consumed in the Province in 1984.

Total construction expenditures for 1984 were \$306.5 million, of which \$153.3 million were spent on construction of generating facilities, environmental and mining quipment. Construction expenditures for 1985 are expected to be approximately \$250 million.

Load Growth

During 1984 the Electric Utility Planning Council (EUPC) issued a revised 25-year load forecast which predicts a lower level of load growth for the Province than previous forecasts. Composed of representatives from the major electric utilities in Alberta, the EUPC prepares electric load forecasts and recommends the timing of major generating and transmission additions in the Province. The current forecast predicts that load growth for TransAlta will average 3.8 per cent per year over the next five years. While this rate of growth is lower than previously forecast, it is higher than the average rate being forecast by most electric utilities in North America.

On the basis of this forecast, further delays to 1990 and 1991 in the commissioning dates of new generating capacity have been proposed to the Energy Resources Conservation Board, the regulatory body which considers and recommends for approval new generating additions in the Province. TransAlta and Alberta Power Limited, joint owners of the Sheerness Generating Plant,

propose deferring further the start-up of the second generating unit at Sheerness as well as the two units at the Genesee Generating Plant being built by Edmonton Power. The proposal recommended maintaining the currently approved commissioning schedule for the first generating unit at Sheerness, to commence operations in January 1986, since this unit will displace more costly gas-fired generation in the Province. An Energy Resources Conservation Board hearing was held in January 1985 to review the request and a decision is pending.

Keephills

The second 400-megawatt generating unit at the Keephills Generating Plant near Wabamun Lake began operating in June 1984. Under the current economic dispatch system, where the generating units of all the utilities in the Province are utilized in the order of cost-effectiveness, the Keephills units are dispatched first and are therefore operated at maximum output almost continuously. Design improvements at Keephills have resulted in significant productivity gains.

Hydro

Over the past few years the Corporation, Alberta Power and the Alberta Government have been carrying out studies to assess the feasibility of locating a hydro plant on the Slave River in the northeast corner of the Province. A financial review was completed in 1984 and discussions are continuing with the Government on whether to continue with further studies.

During 1984 the Alberta Water Resources Commission held a series of hearings to determine priorities for use of river water in the South Saskatchewan River Basin, the area of the Province south of Red Deer. While recognizing that management and control of the rivers in the Basin should be in accord with provincial interests, TransAlta's position is that any resulting costs of imposed changes to the pattern of use of its reservoirs on the Bow River System should not be borne by electric energy consumers.

In July local residents and employees attended an open house at the Highvale Mine near Wabamun Lake in honour of the Corporation's latest dragline, Lady of the Lake.



Mining Production and Equipment

The Corporation's coal mines produced a total of 12.8 million tonnes of coal during 1984. Of this amount, the Highvale Mine produced 11.0 million tonnes to fuel the Sundance and Keephills Generating Plants. At the Whitewood Mine north of Wabamun Lake, 1.8 million tonnes were produced to supply the Wabamun Generating Plant. The Highvale and Whitewood Mines together constitute the largest coal-mining operation in Canada in terms of production.

A Marion 8750 dragline, with a 60-cubic-metre bucket and a 122-metre boom, was commissioned at the Highvale Mine in 1984. An open house held in July for employees and residents of the area to introduce the new machine was well attended.

Reclamation

The Corporation's land reclamation program has been underway for almost 20 years. Approximately 90 hectares (222 acres) were seeded to hay this year, bringing the total amount of land successfully reclaimed since mining started to 844 hectares (2,085 acres).

During the year TransAlta drained two lakes at the Whitewood Mine (63 hectares) to permit the underlying coal to be mined. In keeping with the approval granted for draining these lakes, a replacement body of water is being created in the nearby mined-out area.

Coal Reserves

TransAlta continues its long-term drilling program to determine the amount and quality of the Corporation's coal reserves. Additional reserves adjacent to the Whitewood Mine in the Wabamun Lake area were acquired during the year in exchange for other coal properties controlled by the Corporation.

Emission Control

Although coal owned or controlled by TransAlta is extremely low in sulphur

content, new Alberta Government regulations may nevertheless require the installation of emission control equipment on new generating units approved by the Energy Resources Conservation Board after May 1981. Since currently available emission control equipment is very costly, the Corporation has continued participation in a project involving new technology which is anticipated to remove 60-65 per cent of the sulphur at a fraction of the cost of existing technologies. This technology uses a combustion technique being developed by Rockwell International Corporation of California. Design work for the first demonstration plant slated for the Corporation's Wabamun Generating Plant is expected to commence later in 1985. In addition, the Corporation is examining the potential of other lower cost methods of reducing emissions, including different mining and coal handling techniques.

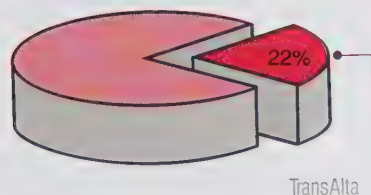
Research

The Corporation is investigating and monitoring alternative energy resources and related processes. The potential use of wind power in a pumped storage application on the Bow River System is currently being examined. TransAlta has signed an agreement with a supplier to study the economics of a coal gasification combined cycle process using Alberta sub-bituminous coal. This process is expected to result in lower cost electric energy production with minimal environmental impact. Other alternative technologies such as fuel cells, solar power and compressed air storage are being monitored.

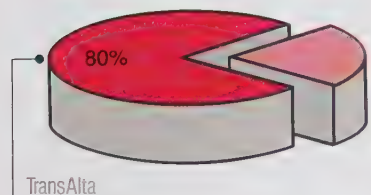
Transmission and Distribution to Customers

Construction expenditures for transmission, distribution, substation and other equipment totalled \$153.2 million in 1984, compared to \$181.4 million in 1983, reflecting the continuing need to upgrade and expand the Corporation's system to meet customer requirements.

Total Canadian versus TransAlta Coal Production
in millions of tonnes



TransAlta's Generation versus Total Alberta Load
in thousands of Megawatt-hours



The top pie chart shows TransAlta's 1984 coal production, totalling 12.8 million tonnes, expressed as a percentage of the total amount of coal produced in Canada, 56.8 million tonnes in 1984. The Corporation's Highvale and Whitewood Mines constitute the largest coal-mining operation in Canada in terms of production.

The bottom pie chart shows TransAlta's electric energy generation as a percentage of the total amount of electric energy generated in Alberta in 1984. TransAlta's net generation of 22,676 million kilowatt-hours amounted to approximately 80 per cent of the total load of 28,374 million kilowatt-hours in the Province.

Joe Matyschuk, lineman,
power line work, stands by
the transformer and
controls the right side of
the line. High Risk. Al-
though a power lineman's job

requires a high level of
concentration, physical stamina
and alertness in order to
provide safe, reliable service
to customers.



Transmission Lines

Construction continues on the 500 kilovolt transmission line from the Langdon Substation southeast of Calgary to interconnect with British Columbia Hydro at Phillipps Pass in the Rocky Mountains. This line, capable of transferring up to 800 megawatts of power in or out of Alberta, is expected to be completed in late 1985, with commissioning scheduled for early 1986. The interconnection will enhance the reliability and flexibility of the Alberta Interconnected System. Additionally it may be used to take advantage of electricity import and export opportunities in the future.

In November 1984, TransAlta and Alberta Power withdrew their applications to the Energy Resources Conservation Board for construction of a 240 kilovolt line from the Langdon Substation to the Sheerness Generating Plant. TransAlta's portion of the line was about 80 kilometres in length. The companies concluded that construction of the line could be deferred to coincide with the completion of the second generating unit at Sheerness.

Service Area

During the year some unallocated service area in the Province was assigned by the Energy Resources Conservation Board. New TransAlta service area includes expansion of the Winefred Lake district northeast of Lac La Biche, with its potential for heavy oil and gas plants; the Judy Creek area, where the Corporation already owns an interest in some coal reserves; and east of Banff and Jasper National Parks, an area of significant resource potential. The additional service area totals 13,935 square kilometres, bringing the Corporation's total service area to 212,000 square kilometres.

System Control Centre

Regional system control centres in Edmonton and Calgary were consolidated in one System Control Centre facility in Calgary as a first step toward implementation of new system control equipment

in 1985. With this relocation all TransAlta transmission system control and operation is being carried out at this one centre. It is planned to move generation control from Seebe to Calgary during 1985.

Customers

At the end of 1984, the Corporation was serving 279,164 customers directly and an additional 292,324 customers indirectly through wholesale contracts. Major new industrial customers include the Alberta Gas Ethylene Plant at Joffre and the Shell Scotford petrochemical complex. The Corporation is offering industrial customers the opportunity to take advantage of reduced rates during off-peak periods commensurate with the generally lower cost of service during that time of day. This will be beneficial both to TransAlta and to the economy of the Province.

Other new customer installations include the Corporation's first large three-phase wind power interconnection, totalling 40 kilowatts. A decision by the Energy Resources Conservation Board on this privately-owned wind generator incorporates a five-year period for data collection to facilitate developing the most appropriate rate structure for these types of installations.

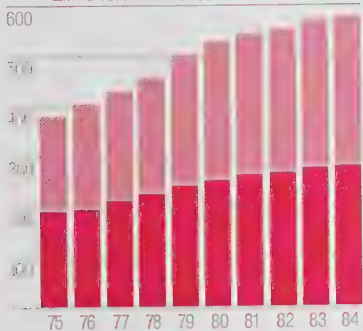
In January 1985 the Corporation signed a memorandum of understanding with representatives of Alberta's Rural Electrification Associations. This memorandum will serve as the basis for developing a standard contract for rural electrification activities in the future.

Energy Management

In addition to providing energy management information and resources to schools and residential customers, the Corporation continues to offer energy audits to commercial and industrial customers using infrared technology to locate heat losses. Energy management publications and brochures are developed on a continuing basis as opportunity and need arise and are being offered free of charge as a customer service.

TransAlta's Customers 1975-84

in thousands
■ Direct ■ Indirect

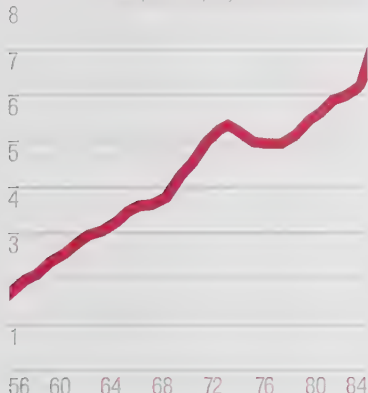


TransAlta's high level of growth over the years can be attributed largely to an increase in customers and consumption. In 1975 TransAlta served a total of 375,718 direct and indirect customers. By 1984 the total number of customers increased to 571,488, an increase of approximately 52 per cent over the ten-year period.

A photograph showing a woman and a man in an office environment. The woman, with short brown hair and wearing a red and white striped shirt, is standing and leaning over the man. She is pointing at a large sheet of paper on the desk. The man, with dark hair and wearing a light blue button-down shirt, is seated and typing on a keyboard. In front of him is a large, beige computer monitor. To the right of the man is a printer or a similar peripheral device. The background shows a desk with various papers and a small computer monitor displaying text. The overall scene suggests a collaborative work environment from the late 20th century.

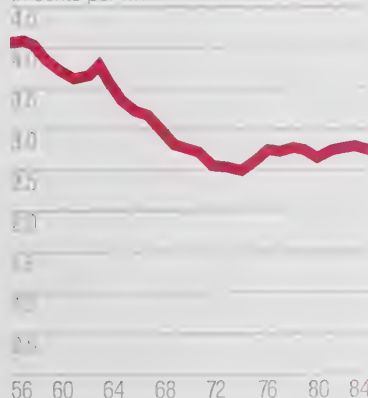
Electric Energy Output per Employee 1975-84

in millions k.w.h per employee



Total Unit Costs in Constant Dollars 1975-84

in cents per kWh



The graphs above illustrate TransAlta's productivity achievements in two ways. The fact that electric energy output per employee has increased over the years can be seen in the top graph. The bottom graph demonstrates that TransAlta's costs, once the effects of inflation are removed, have decreased over the years. All aspects of the Corporation's operations are included in these costs — from labour to fuel, financing and operating costs. This graph represents an overall measure of TransAlta's success in improving productivity.

People and Productivity

TransAlta is proud of its record of productivity improvements over the years and expects to successfully meet the challenge of achieving further gains in productivity in the future. The Corporation's current strategy includes the appropriate application of computer technology together with a continued emphasis on employee training and involvement.

Efficiency

The Corporation continues to institute cost-cutting measures. Steps undertaken during the year included a revised maintenance program to extend the life of Corporation vehicles without sacrificing quality of service and the use of lower-cost propane fuel for vehicles where such service is available.

The application of computer technology has assisted the Corporation in improving productivity. The installation of micro-computers and software for technical applications and the introduction of electronic mail in all departments enhance employee efficiency. To support increasing demand for training resulting from continuing technology changes and to ensure the appropriate use of new automated tools and software, an Information Centre has been created.

Staff

On December 31, 1984, the number of staff positions for TransAlta Utilities and Farm Electric Services Ltd. was 2,477 compared to 2,547 in 1983.

In 1984, 17 employees joined the Employees' 25 Year Club, which honours those persons with 25 years or more of continuous employment with the Corporation. There are now 252 active TransAlta employee members, representing an aggregate of 7,784 years of service.

A Manpower Utilization Committee established two years ago has had considerable

success in transferring staff from surplus positions to other areas of the organization. A number of staff positions have been cancelled in 1984, without any terminations. In addition, 55 employees took advantage during the year of the Corporation's one-time early retirement incentive program.

New Office Building

In 1984 relocation of employees was completed to TransAlta Two, adjacent to TransAlta One in downtown Calgary. The new building improves efficiency by consolidating staff previously situated in other premises nearby.

Employee Involvement

TransAlta recognizes and appreciates the vital role that employees play in making the operations of the Corporation as efficient as possible.

One successful program which promotes employee involvement is the Action Recommended Program. The program encourages productivity improvement suggestions from all areas of operations. Since the program was implemented in 1982, over 600 recommendations have been received. Direct cost savings, improved productivity and customer goodwill have resulted. During 1984 the Action Recommended Program was expanded to include an employee recognition component. For example, an employee submitting a recommendation which is implemented and results in direct benefits to the Corporation receives five TransAlta common shares.

A major employee involvement project implemented in 1984 at the Sundance Generating Plant is progressing very well. Work group problem solving is being encouraged at all levels to improve productivity.

TransAlta also recognizes the importance of, and encourages employee involvement in, community activities. Employees take an active part in community life, participating on a volunteer basis in many

programs and service clubs throughout the Province. The United Way, Chamber of Commerce, the Junior Citizens and the Junior Achievement programs and local government are just a few activities supported strongly by staff.

Safety

Safety of employees and the public at large is a priority of the Corporation. Employee on-job injuries were reduced in 1984 in frequency and severity. Considerable emphasis is placed on a program to make the public aware of the hazards of electricity. The program involves presentations to community groups and schools. While safety training programs for field and office staff continue, a special program of team safety awards implemented at the coal-fired generating plants has resulted in a 64 per cent reduction in disabling injuries during the first full year of the program. The Keephills Generating Plant completed 1984 without a single disabling injury.

Training

The Corporation continues to place emphasis on training as another method of improving productivity by assisting employees to become more effective in their jobs. During the year a journeyman power lineman updating program was introduced at the Red Deer Trades Training Centre. In addition, a self-paced training program for System Control Centre operators was developed. TransAlta continues to emphasize its established training programs such as supervisory, work leader and team building.

Collective Agreements

Two-year collective agreements with the two certified bargaining agents, TransAlta Employees' Association and the International Brotherhood of Electrical Workers, will continue through to the end of

Financial Review

Gross revenue from operations of TransAlta Utilities in 1984 was \$759.7 million, \$128.0 million more than in 1983. Additional electric sales accounted for 50 per cent of the increase.

Operating deductions, consisting of operating expenses, fuel and purchased power, depreciation, and income taxes and other taxes, amounted to \$463.0 million in 1984, \$64.9 million above 1983. Operating expenses increased by \$13.2 million, fuel and purchased power decreased by \$9.2 million, depreciation increased by \$15.7 million, and income and other taxes increased by \$45.2 million. Interest charges and preferred dividends amounted to \$213.3 million in 1984, an increase of five per cent or \$9.4 million over 1983.

Earnings applicable to common shares were \$183.7 million in 1984, compared to \$148.8 million in 1983. Earnings per share were \$2.88 compared to \$2.74 in 1983. On a fully diluted basis earnings per share were \$2.81 in 1984, compared to \$2.54 in 1983. The increase in net earnings applicable to common shares continues to be commensurate with the increase in average common shareholders' investment. Effective January 1, 1985, the quarterly common share dividend was increased from \$0.36 to \$0.40 per common share.

Total expenditures on additions to property for 1984 amounted to \$306.5 million, compared to \$491.9 million in 1983.

Financing

During 1984 TransAlta raised \$236.7 million externally to finance its construction expenditures compared to \$291.2 million in 1983. This decline reflects the Corporation's reduced construction program. In March, an issue of \$100 million

8.40% First Preferred Shares was completed, while in December \$100 million (Canadian) was raised through the sale of first mortgage bonds in the European market.

Dividend Reinvestment Plan

Effective January 1, 1985, the Dividend Reinvestment and Share Purchase Plan was modified. Shares purchased under the Plan will no longer be acquired at a five per cent discount. The Corporation has the option of purchasing shares acquired under the Plan in the open market or, if deemed necessary, issuing shares from treasury. Although the five per cent discount has been discontinued, other benefits of the Plan remain, such as saved brokerage fees and the automatic reinvestment of the full amount of dividends.

Rates

Late in 1983, the Corporation filed for new rates based on its 1984 forecast revenue requirement with the Alberta Public Utilities Board. Hearings were held during 1984 and the Board's decision was issued on November 27. In January 1985, the Board approved an interim rate increase of 1.81 per cent and a four-month "revenue rider" of five per cent, effective February 1, 1985. The "revenue rider" will recover the balance of the 1984 revenue requirement and accordingly this amount has been included in the Corporation's 1984 revenue.

The Corporation is subject to the provisions of the Electric Energy Marketing Act, which resulted in the establishment of the Alberta Electric Energy Marketing Agency in 1982. The Agency is intended to achieve provincial equalization of electric power generating and transmission costs within three customer groups.

Current Cost Accounting

The Canadian Institute of Chartered Accountants has adopted recommendations

for disclosure of supplementary information to report the effects of changing prices. Along with various other companies to whom the recommendations apply, TransAlta is again experimenting with current cost disclosure this year. It is hoped that this information will be helpful and of interest to the shareholders. See pages 30 and 31.

Indexed Security Investment Plan

TransAlta Utilities common shares are qualified securities for purchase by Indexed Security Investment Plans.

Regulation

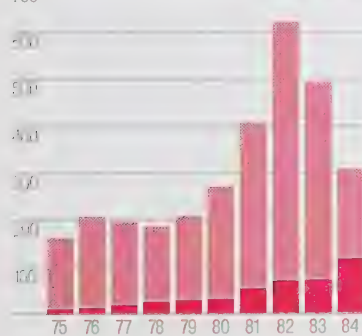
As an investor-owned utility, the Corporation's operations are subject to various provincial regulatory bodies.

The Alberta Public Utilities Board approves rates for electric service and the Corporation's financing. Rates are based on the annual revenue required to cover all operating expenses, as well as to provide an opportunity to earn a return that will attract the capital necessary to finance the Corporation's construction programs. The Board's decisions are final and may only be appealed to the courts on a matter of jurisdiction or law. In determining rates, the Public Utilities Board uses a future test year and interim rates to cover projected costs of service.

The Energy Resources Conservation Board approves construction of generating plants, transmission lines, coal mine developments and service area changes. Applications for construction are filed with the Board months and often years before the facilities are required. Environmental and social impact assessments and plans to minimize any environmental impact, such as land reclamation programs, are also presented. The Board's decisions on generating plant are subject to final approval through Order-in-Council by the Alberta Government.

Additions to Property 1975-84

in millions of dollars
■ Cash from Operations



The graph above shows the expenditures which the Corporation made over the past ten years to build new facilities. Also shown is the portion of those expenditures which were financed from cash which was raised from operations. The Corporation had to raise significant sums of money in the financial markets to finance new construction.

Students working on
electronics projects in
the Electronics Lab.
The students are
working on a project
that involves a microcontroller
and a sensor.



TransAlta Resources

TransAlta Resources Corporation, the principal subsidiary of TransAlta Utilities, was established to segregate the regulated utility operations from the non-regulated investment activities and operations of TransAlta Utilities. Its assets include investments in Canadian Utilities Limited, AEC Power Ltd., Canada Northwest Energy Limited and Keyword Office Technologies Ltd. The Corporation will participate in opportunities which are in harmony with its management and technical strengths, particularly in the energy-related and emerging technology fields.

Financing

TransAlta Resources reduced its long term debt by \$50 million with the proceeds from the sale of two million floating rate first preferred shares.

Canadian Utilities

In November 1984 TransAlta Resources sold 817,082 shares of Canadian Utilities. This sale, together with the exercise of warrants issued in 1983, which entitle the bearer to purchase, by December 1987, the remaining Canadian Utilities shares held by TransAlta Resources, will satisfy the divestiture agreement signed in 1982 between TransAlta Utilities and Canadian Utilities. The divestiture agreement resolved certain differences between the two companies, as well as providing for the divestiture of interlocking equity ownership positions.

Canada Northwest Energy Limited

Canada Northwest Energy, an Alberta-based firm established in 1882, has interests in producing oil and gas wells in Canada, the United States and the Casablanca field offshore Spain. It has holdings or is engaged in further exploration and development activity in

Canada, the United States, the United Kingdom and Australia. In addition, it has an interest in the Vega Oil Field, offshore Sicily, currently under development.

TransAlta Resources purchased additional common shares of Canada Northwest Energy and convertible debentures for \$3.2 million. The \$45 million 10 per cent debenture previously held was converted into 1.8 million common shares of Canada Northwest Energy. If all convertible securities of Canada Northwest Energy outstanding on December 31, 1984, had been converted, TransAlta Resources would have owned approximately 25 per cent of the common shares of Canada Northwest Energy.

TransAlta Energy Systems

TransAlta Energy Systems was established as a division of TransAlta Resources in 1983 to develop business opportunities relating to the energy management needs of business and industry. During the past year TransAlta Energy Systems has been marketing microprocessor-based building control systems. Customer acceptance is positive and offices have been established in Calgary, Vancouver, Edmonton, Regina, Winnipeg, Toronto, Montreal and Quebec City.

Keyword Office Technologies Ltd.

In February 1984, TransAlta Resources acquired 50 per cent of the outstanding shares of Keyword Office Technologies Ltd., a Calgary firm. Through this investment, the Corporation is involved in the office services and automation industry, particularly the production and marketing of computer hardware and software designed to enhance the compatibility of computer-based office systems. In October 1984 Keyword introduced the Keyword 7000, a disk-to-disk document conversion device. It is currently being marketed throughout North America and in Europe.

Management's Responsibility

In management's opinion the financial statements have been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized in the consolidated financial statements. Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment and with all information available up to February 12, 1985. Management is responsible for all information in the Annual Report and financial operating data in the report are consistent, where applicable, with the financial statements.

To meet its responsibility for reliable and accurate financial statements, management has established systems of internal control which are designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and re-

corded in accordance with management's authorization. These systems are monitored by internal auditors who perform extensive tests and related procedures.

The financial statements in this report have been examined by Clarkson Gordon, independent Chartered Accountants. The external auditors' responsibility is to express a professional opinion on the fairness of management's financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

In ensuring that management fills its responsibility for financial reporting and internal control, the Board of Directors is assisted by an Audit Committee, whose members are non-management Directors. The Audit Committee meets with management, the internal auditors and the external auditors to satisfy itself that each group is properly discharging its responsibilities and to review the financial statements. The internal and external auditors have full and free access to the Audit Committee.

Auditors' Report

To the Shareholders of TransAlta Utilities Corporation:

We have examined the consolidated statement of financial position of TransAlta Utilities Corporation as at December 31, 1984 and the consolidated statements of earnings and reinvested earnings and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson Gordon
Chartered Accountants

Calgary, Canada
February 12, 1985

Consolidated Statement of Earnings and Reinvested Earnings

In thousands except earnings per share

Year ended December 31		1984	1983
Gross revenue from operations	Electric	\$759,145	\$629,429
	Other	599	2,295
		759,744	631,724
Operating deductions	Operating expenses	150,585	137,404
	Fuel and purchased power	19,269	28,440
	Taxes, other than taxes on income	23,710	21,815
	Depreciation	103,663	87,919
	Taxes on income	165,732	122,445
		462,959	398,023
	Operating income	296,785	233,701
Allowance for funds used during construction	Debt	31,554	39,768
	Preferred equity	14,935	18,823
	Common equity	30,774	38,785
		77,263	97,376
Equity income from investments		22,952	21,616
	Earnings before financing charges	397,000	352,693
Interest charges	First mortgage bonds	41,985	41,532
	Other long term debt	90,836	82,871
	Other	3,372	12,971
		136,193	137,374
Preferred share dividend requirements	Parent	70,306	66,499
	Subsidiary	6,808	—
		213,307	203,873
	Net earnings applicable to common shares	183,693	148,820
	Common share dividends	94,569	76,336
Reinvested earnings	Reinvested earnings	89,124	72,484
	Opening balance	420,857	348,373
	Closing balance	\$509,981	\$420,857
Earnings per share	Average common shares outstanding	63,851	54,297
	Earnings per common share	\$2.88	\$2.74
	Fully diluted earnings per common share	\$2.81	\$2.54

See accompanying summary of accounting policies and notes

Consolidated Statement of Financial Position

In thousands

December 31		1984	1983
Assets			
Property, plant and equipment	Land, buildings, plant and equipment	\$3,727,511	\$3,428,130
	Less accumulated depreciation	646,013	545,049
		3,081,498	2,883,081
Investments	AEC Power Ltd.	10,358	10,358
	Canada Northwest Energy Limited	124,154	115,194
	Canadian Utilities Limited (after deducting reciprocal shareholdings)	106,531	108,117
	Other	3,798	540
		244,841	234,209
Current assets	Cash and term deposits	3,746	27
	Accounts receivable	105,598	100,584
	Materials and supplies at average cost	36,682	36,215
	Prepaid expenses	1,109	1,439
		147,135	138,265
Deferred charges	Financing costs	41,527	38,330
	Other	1,886	1,828
		43,413	40,158
		\$3,516,887	\$3,295,713

On behalf of the Board:



M. M. Williams, Director



R. F. Phillips, Director

1984

1983

Capital and Liabilities

Capitalization			
	Common shares	\$ 744,554	\$ 708,281
	Contributed surplus	12,908	11,633
	Reserve for rate adjustments	718	1,255
	Reinvested earnings	509,981	420,857
	Reciprocal shareholdings	(49,400)	(53,700)
	Common shareholders' equity	1,218,761	1,088,326
	Preferred shares	707,810	621,932
	Long term debt	1,024,608	1,028,059
	Preferred shares of a subsidiary	120,000	70,000
		3,071,179	2,808,317
Current liabilities			
	Bank loan and short term notes	39,357	105,497
	Accounts payable and accrued liabilities	74,096	94,878
	Income and other taxes payable	23,837	26,272
	Dividends payable	47,551	39,733
	Accrued interest on long term debt	28,768	28,953
	Current portion of long term debt	65,712	30,129
		279,321	325,462
Deferred credits			
	Deferred income taxes	41,900	42,265
	Customer contributions	120,815	115,874
	Hydro development contribution	3,672	3,795
		166,387	161,934
		\$3,516,887	\$3,295,713

See accompanying summary of accounting policies and notes

Consolidated Statement of Cash Flows

In thousands

Year ended December 31		1984	1983
Cash from operations	Net earnings applicable to common shares	\$183,693	\$148,820
	Common share dividends	(94,569)	(76,336)
	Operating items not using cash	50,818	20,180
	Change in non-cash working capital balances	(20,735)	(18,582)
		119,207	74,082
Cash applied to investments	Additions to property		
	Production	139,182	278,427
	Environmental	14,137	32,166
	Transmission, substations, distribution and other	153,197	181,356
		306,516	491,949
	Less allowance for equity funds used during construction	45,709	57,608
		260,807	434,341
	Investment in Canada Northwest Energy Limited	3,218	32,025
	Proceeds from Canadian Utilities Limited shares and warrants	(13,202)	(19,169)
	Other	3,600	540
		254,423	447,737
	Cash deficiency before financing	\$135,216	\$373,655
Financing activities	Long term financing		
	Common shares net of conversions and stock dividends	\$ 32,678	\$ 82,338
	Preferred shares	100,000	95,000
	Long term debt	121,018	176,784
	Preferred shares of a subsidiary	50,000	70,000
	Repayment of long term debt	(91,264)	(53,737)
	Purchase of preferred shares	(11,093)	(9,801)
	Other	3,736	8,644
		205,075	369,228
	Short term financing		
	(Decrease) increase in bank loan and short term notes net of cash and term deposits	(69,859)	4,427
		\$135,216	\$373,655

See accompanying summary of accounting policies and notes

Summary of Accounting Policies

Generally accepted accounting principles	The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada of which the significant policies are described below. These principles conform in all material respects with International Accounting Standards. The Corporation is engaged primarily in the production and sale of electric energy in the Province of Alberta which activity is classified as one segment for financial reporting purposes.
Regulation	The Corporation is regulated by the Energy Resources Conservation Board pursuant to the Hydro and Electric Energy Act (Alberta) and the Public Utilities Board pursuant to Part II of the Public Utilities Board Act (Alberta). The Corporation and its hydro operations are also subject to the Provincial Water Power Regulations (Alberta). These Acts and Regulations cover such matters as rates, construction, operations and accounting.
Consolidation and investments	<p>The consolidated financial statements include the accounts of the Corporation and all its subsidiaries of which TransAlta Resources Corporation, TransAlta Fly Ash Ltd., Kanelk Transmission Company Limited and Farm Electric Services Ltd. are active.</p> <p>TransAlta Resources Corporation holds non-operating utility assets and other investments. TransAlta Fly Ash Ltd. processes and sells fly ash gathered at the Corporation's coal fired generating plants. Kanelk Transmission Company Limited owns transmission facilities extending from the Corporation's hydro-electric plants on the Kananaskis River through British Columbia to the Crowsnest Pass in southern Alberta. Farm Electric Services Ltd. is a non-profit entity which organizes, constructs, operates and maintains, at cost, electric distribution systems owned by rural electrification co-operative associations.</p> <p>The Corporation's major investments are in AEC Power Ltd., Canada Northwest Energy Limited and Canadian Utilities Limited. They are held by TransAlta Resources Corporation and are accounted for by the equity method.</p>
Financing costs	<p>Costs of financing are amortized by charges to expense as follows:</p> <p>Debt issues — over the lesser of the remaining original life or the estimated average life of the issue.</p> <p>Equity issues — over the estimated average life of the issue.</p> <p>Gains or losses realized on the purchase of Corporation debt for sinking fund purposes are amortized over the remaining life of the issue. These policies are in accordance with the method of determining the Corporation's cost of capital for regulatory purposes.</p>
Translation of foreign currency	<p>Any long term debt payable in foreign currency is translated at the rate of exchange prevailing at the date of the statement of financial position. The resulting adjustment is amortized over the remaining life of the debt which is in accordance with the method used in determining the Corporation's cost of capital for regulatory purposes.</p> <p>Foreign exchange losses of \$107,000 were amortized to earnings in 1984 (gains of \$825,000 in 1983) and at December 31, 1984 unamortized foreign exchange losses of \$8,945,000 (\$5,719,000 at December 31, 1983) were deferred and included in financing costs in the statement of financial position.</p>
Taxes on income	<p>The Corporation's income tax accounting policy is the income tax allocation method.</p> <p>Under the Public Utilities Income Tax Transfer Act (Canada) and enabling legislation passed by the Province of Alberta, 95% of the federal and 100% of the provincial income taxes paid by the Corporation attributable to its electric utility operations are rebated to its customers.</p>
Customer contributions	Contributions received from customers related to new service connections are credited to deferred revenue and are amortized to earnings over the expected terms of the revenue deficiencies. The composite rate of amortization is approximately 3% per annum.

Notes to Consolidated Financial Statements

Tabular dollar amounts in thousands

1. Property account

The land, buildings, plant and equipment are carried at cost. The Corporation provides for depreciation on a straight line basis using various rates as set by the Public Utilities Board (Alberta) based on depreciation studies prepared by the Corporation which result in an overall composite rate for 1984 of 3.69% (3.92% in 1983).

December 31		1984	1983
	Depreciation rates		
Hydro production	2.42%	\$ 187,810	\$ 185,154
Thermal production including coal mines	2.51% - 6.30%	1,523,601	1,228,143
Environmental control	2.72%	289,949	262,005
Transmission lines, substations and distribution systems	4.25% - 5.67%	993,905	908,634
Other	various	186,899	173,233
Property under construction		545,347	670,961
		3,727,511	3,428,130
Less accumulated depreciation		646,013	545,049
		\$3,081,498	\$2,883,081

The Corporation capitalizes an allowance for funds used during construction at its cost of capital related to construction. The rate is presently 12.95% (12.91% in 1983) as determined by the Public Utilities Board (Alberta).

2. Investments

AEC Power Ltd. owns and operates the utilities plant which supplies electric energy and steam on a cost of service basis to the Syncrude Project for production of synthetic crude oil from the Alberta oil sands. The investment in AEC Power Ltd. consists of 50% of the voting common shares which represents one third of the outstanding shares.

Canada Northwest Energy Limited is a natural resource exploration and development company with Canadian and international interests. The investment in Canada Northwest Energy Limited consists of 4,005,000 common shares and \$17,450,000 principal amount 8% convertible debentures. Upon conversion of all the outstanding convertible securities of Canada Northwest Energy Limited, common share ownership would be approximately 25%. The excess of the purchase price over the book value of the underlying assets and liabilities amounted to \$69,800,000 and is being amortized by the unit-of-production method.

Canadian Utilities Limited, through operating subsidiaries, is mainly engaged in the generation, transmission, distribution and sale of electric energy, primarily in east-central and northern Alberta and in the production, purchase, transmission, distribution and sale of natural gas throughout Alberta. The investment in Canadian Utilities Limited represents an interest of approximately 21% which consists of 11% of the outstanding Class A non-voting shares and 29% of the outstanding Class B (voting) common shares. The excess of the purchase price over the book value of the underlying assets and liabilities amounted to \$50,500,000 and is being amortized straight line over a period of 40 years.

The Corporation indirectly owns approximately 4% of its own common shares since Canadian Utilities Limited owns approximately 19% of the common shares of the Corporation. Accordingly, the investment in Canadian Utilities Limited is reduced by \$49,400,000 which is the Corporation's pro rata interest in the cost of the Corporation's shares to Canadian Utilities Limited. The portion of the Corporation's dividends applicable to its equity interest in Canadian Utilities Limited is deducted from dividends and from equity income.

2. Investments (continued)

The Corporation and Canadian Utilities Limited have agreed to use their best business efforts to divest themselves of their reciprocal shareholdings. Warrants to purchase all the Canadian Utilities Limited shares presently held by TransAlta Resources Corporation are outstanding. These warrants are exercisable on or before December 15, 1987 for a gross consideration of approximately \$165,000,000. Shares not subject to warrants were sold in 1984 for an amount approximately equal to their carrying value. Canadian Utilities Limited also has warrants outstanding which carry the right to purchase on or before November 1, 1987 substantially all of the common shares of the Corporation held by Canadian Utilities Limited.

3. Capitalization

(i) Share capital

The authorized share capital consists of an unlimited number of Class A Common Shares, Class B Common Shares, First Preferred Shares and Second Preferred Shares, all without nominal or par value.

The Class A and Class B Common Shares are interconvertible on a share-for-share basis at any time and carry one vote per share. Certain Second Preferred Shares are convertible into Class A Common Shares on a share-for-share basis prior to October 1, 1985. At December 31, 1984 there were 246,695 such convertible Second Preferred Shares issued and outstanding.

The preferred shares, which are issuable in series, are cumulative and redeemable at designated dates at the option of the Corporation at the subscription price together with a premium not in excess of the annual dividend. Certain series are retractable at the option of the holder on designated dates at the subscription price plus all accrued and unpaid dividends, if any. Certain series have annual purchase funds which are non-cumulative but require the Corporation to make all reasonable efforts to purchase for cancellation in the open market preferred shares at a price not exceeding the subscription price of the shares plus accrued and unpaid dividends and costs of purchase. Certain series have annual mandatory sinking funds which are cumulative and the Corporation may call additional shares through the operation of a non-cumulative optional sinking fund. During 1984 the Corporation issued 4,000,000 First Preferred Shares for a cash consideration of \$100,000,000.

(ii) Common shares

December 31	1984	1983	1984	1983
	shares		amount	
Issued and outstanding:				
Class A Common Shares	66,085,688	64,306,160	\$730,575	\$695,051
Class B Common Shares	1,264,536	1,224,042	13,979	13,230
	67,350,224	65,530,202	\$744,554	\$708,281
Issued during the year:				
For cash under the Dividend Reinvestment and Share Purchase Plan	1,635,404	1,239,515	\$ 32,678	\$ 24,516
As stock dividends on Class B Common Shares	92,289	104,258	1,841	2,078
On conversion of Second Preferred Shares	92,329	6,626,997	1,754	125,913
For cash by rights offering	—	3,142,500	—	57,822
	1,820,022	11,113,270	\$ 36,273	\$210,329

In accordance with submissions by the Corporation to the Public Utilities Board (Alberta), reserve amounts if any, related to the determination of resource profits for income tax purposes and rate hearing costs net of income taxes will be charged to the reserve for rate adjustments as directed. During 1984 net rate hearing costs of \$537,000 (\$337,000 in 1983) were charged to this reserve.

(iii) Preferred shares

December 31				1984	1983
	4% to 5.4%	7% to 10%	12% to 14 1/4%		
Issued and outstanding:					
First Preferred Shares					
Purchase fund	\$ —	\$373,701	\$250,000	\$623,701	\$ 530,546
Sinking fund	—	47,125	—	47,125	51,294
Other	4,725	—	—	4,725	5,265
Second Preferred Shares					
Purchase fund	—	32,259	—	32,259	34,827
	\$4,725	\$453,085	\$250,000	\$707,810	\$ 621,932
Number of shares				21,437,062	17,695,482
Number of votes				7,525,843	6,678,273
Changes during the year:					
Issued for cash	\$ —	\$100,000		\$100,000	\$ 95,000
Cancelled through					
Purchase fund	—	(7,659)		(7,659)	(7,154)
Sinking fund	—	(4,169)		(4,169)	(3,230)
Other	(540)	—		(540)	(889)
Converted into common shares	—	(1,754)		(1,754)	(125,913)
	\$ (540)	\$ 86,418		\$ 85,878	\$ (42,186)
Number of shares				3,741,580	(2,966,731)
Number of votes				847,570	(435,663)

Retraction privileges and mandatory sinking fund requirements:

In 1985	\$ —	\$ 3,139	\$ —	\$ 3,139
In 1986	—	3,200	50,000	53,200
In 1987	—	3,200	125,000	128,200
In 1988	—	3,200	75,000	78,200
In 1989	—	3,200	—	3,200
In 1990 to 1994	—	116,000	—	116,000
After 1994	—	109,586	—	109,586
No retraction or sinking fund	4,725	211,560	—	216,285
	\$4,725	\$453,085	\$250,000	\$707,810

An annual aggregate purchase fund for up to \$17,420,000, \$21,592,000, \$16,685,000, \$13,670,000 and \$12,170,000 of stated capital may be required in 1985 to 1989 respectively. Any such requirements could reduce the retraction privileges.

The excess of the subscription price of the preferred shares cancelled over their purchase cost amounted to \$1,275,000 in 1984 (\$1,472,000 in 1983) and was included in contributed surplus.

3. Capitalization
 (continued)

(iv) Long term debt

December 31				1984	1983
	6% to 9.4%	10½% to 13¾%	14½% to 17⅞%		
First mortgage bonds	\$147,744	\$100,000	\$185,000	\$ 432,744	\$ 353,480
Debentures	38,750	378,220	137,000	553,970	559,306
Notes payable	—	34,350	—	34,350	31,500
Capital leases	33,339	—	—	33,339	34,377
Subsidiary loan	—	1,872	—	1,872	42,942
Other	34,045	—	—	34,045	36,583
	253,878	514,442	322,000	1,090,320	1,058,188
Current portion	24,642	38,070	3,000	65,712	30,129
	\$229,236	\$476,372	\$319,000	\$1,024,608	\$1,028,059

The following principal amounts and sinking fund requirements are due:

In 1986	\$ 14,194	\$ 13,335	\$ 3,000	\$ 30,529
In 1987	13,745	16,675	143,000	173,420
In 1988	20,927	43,190	78,000	142,117
In 1989	13,797	13,370	53,000	80,167
1990 to 1994	119,942	249,630	15,000	384,572
After 1994	46,631	140,172	27,000	213,803
	\$229,236	\$476,372	\$319,000	\$1,024,608

The first mortgage bonds are secured by a first charge on certain of the Corporation's lands, buildings, plant and equipment and by a first floating charge on all other assets situated in the Province of Alberta. The Trust Deed provides for a sinking fund for the retirement of first mortgage bonds, payable on September 1 of each year of 1% of the principal amount of all first mortgage bonds outstanding. First mortgage bonds include U.S. \$45,000,000.

The debentures are secured by a floating charge on the property and assets of the Corporation subject to the first specific charge and the first floating charge securing the first mortgage bonds.

The notes payable are unsecured, have no authorized limit, bear interest determined at June 30 and December 31 of each year at the greater of the five year bank term deposit rate or the prevailing prime bank interest rate and mature December 31 in each year. These amounts are payable to rural electrification co-operative associations through their agent Farm Electric Services Ltd. and represent a portion of funds contributed by members of these associations which have been invested with the approval of the Alberta Director of Co-operative Activities.

The Corporation leases, with options to purchase, draglines costing \$37,627,000. The cost of this equipment is included in the property account under thermal production and the related liability is included in long term debt to reflect the effective acquisition and financing of the equipment. Accumulated amortization amounted to \$7,965,000 at December 31, 1984 (\$6,422,000 at December 31, 1983). The future minimum payments under the capitalized leases are \$3,753,000 per year for the next five years and \$45,263,000 in later years. The imputed interest included in these future minimum rentals is \$30,689,000 at December 31, 1984 (\$33,404,000 at December 31, 1983).

3. Capitalization (continued)

The subsidiary loan is unsecured, bears interest at current lending rates and is covered by a credit facility which is convertible into term debt upon thirty days notice by either party. As term debt, repayment is required in five equal annual installments commencing one year after conversion.

(v) Preferred shares of a subsidiary

Two series of cumulative redeemable first preferred shares of TransAlta Resources Corporation are issued and outstanding. The first series of 2,800,000 shares (\$70,000,000) carry an initial dividend rate of 8% per annum. After December 31, 1987 the dividend rate may be adjusted at six month intervals. The second series of 2,000,000 shares (\$50,000,000) issued in 1984 carries a floating dividend rate (8.9% per annum for the initial dividend paid on January 1, 1985) which approximates 70% of the prevailing prime bank interest rate. For the period up to and including the dividend payable on January 1, 1988 the quarterly dividend on the second series shall not be less than 8% on an annualized basis. On February 1, 1988 or on any August 1 or February 1 thereafter, the shares of the first series are retractable and redeemable. The shares of the second series are retractable on February 1, 1988 and redeemable on or after that date. Shares of each series are retractable and redeemable at their \$25 per share subscription price plus any accrued and unpaid dividends.

4. Rates for service

The Public Utilities Board (Alberta) approved as final rates all rates which were in effect in 1983. The Board determined a 1984 revenue requirement with an overall cost of capital of 12.29% including a 15% return on common equity invested in rate base. In 1984 the Corporation billed customers on interim rates which recovered all but \$12,878,000 of this revenue requirement. An interim revenue rider to recover this deficiency between February 1 and May 31, 1985 has been approved by the Board and this amount has been recorded in the accounts in 1984.

Pursuant to the Electric Energy Marketing Act (Alberta), the Alberta Electric Energy Marketing Agency "purchases" electric energy generated by the Corporation, Alberta Power Limited and Edmonton Power. The price is fixed by the Public Utilities Board. The Agency immediately "resells" the electric energy to the utility from which it was "purchased" at the average price of all electric energy "purchased". The price fixed by the Board for electric energy for the Corporation is currently below the average price established by the Agency which gives rise to a net charge from the Agency to the Corporation. During the phase-in period of the Agency's operation which started in 1982, the Province of Alberta has provided and is expected to continue to provide shielding for the Corporation's customers from net charges arising out of the averaging process.

In setting its electric energy rates the Corporation returned to the "normalized - all taxes paid" basis of accounting for federal taxes on income in 1983 from the "one half normalized - all taxes paid" basis used in 1981 and 1982. For 1981 and 1982 the Corporation reduced its federal income tax provision and payments by one half by claiming deductions greater than the amounts charged in the accounts. This federal tax reduction of \$58,795,000 has not been recorded in the accounts since there is reasonable expectation that when such taxes are payable they will be recoverable in customer rates at that time. Prior to 1973 deferred income taxes were included in customer rates.

5. Income tax rate

Taxes on income vary from the amount that would be determined by applying the combined statutory Canadian federal and Alberta provincial income tax rates to earnings. The following is a reconciliation of the combined statutory rates to the effective income tax rate:

	1984	1983
Statutory income tax rates	47.0%	47.9%
Adjustments—		
(i) Equity income from investments	(2.5)	(3.4)
(ii) Equity funds used during construction net of applicable depreciation adjustment	(4.1)	(7.2)
(iii) Coal mining allowances	(1.2)	(1.4)
(iv) Other	(0.3)	0.4
Effective income tax rate	38.9%	36.3%

6. Pension plan

The Corporation has a retirement pension fund covering substantially all employees. Based on the latest actuarial advice no material unfunded liability exists.

7. Related party transactions

In the normal course of its business the Corporation enters into numerous transactions with Canadian Utilities Limited and its subsidiaries at prices and terms which are substantially subject to regulation by the Public Utilities Board (Alberta). The amounts involved in these transactions are not material.

The Corporation entered into agreements with Alberta Power Limited (a subsidiary of Canadian Utilities Limited) for the construction, joint ownership and operation of Units 1 and 2 of the generating plant being built near Sheerness, Alberta. These units, presently scheduled for commissioning in 1986 and 1987, will have an estimated net generating capacity of 732,000 kilowatts. For the presently approved commissioning dates, the Corporation's 50% share of the cost is approximately \$500 million of which approximately \$295 million has been incurred to December 31, 1984 (\$210 million to December 31, 1983). Unit 1 is near completion.

8. Comparative figures

Certain comparative figures have been reclassified to conform with the statement presentation adopted in 1984.

Supplementary Information on the Effects of Changing Prices

Tabular dollar amounts in thousands
(unaudited)

Introduction

The effects of changing prices are not disclosed in conventional historical cost financial statements. The Canadian Institute of Chartered Accountants has adopted recommendations for disclosure of supplementary information to report the effects of changing prices on an enterprise.

The presentation and usefulness of information on the effects of changing prices is in the experimental stage. Experimentation with the disclosure is desirable since to date no consensus has emerged on the concepts or on the interpretation of the results. Although inflation rates have lessened recently, significant accumulated inflation distortions related to the Corporation's large investment in operating utility property remain in the historical cost financial statements. The supplementary information is designed to remove this distortion.

In management's opinion this supplementary information reflects the principal effects of inflation on the Corporation. It provides useful insights into the real return on the common share investment and the real common share earnings. The values indicated by themselves, however, are not necessarily suitable for purposes of valuing the Corporation or its assets but do provide useful perspectives on the impact of inflation on recorded amounts.

Basic measurement concepts

The basic concept under current cost accounting is that earnings are measured after full provision is made by depreciation charges for the current cost of property that has been consumed in providing service. Conversely, historical cost earnings are an inadequate measure since historical cost depreciation does not reflect the value of property that has been consumed in providing service.

The restated earnings under current cost accounting show the earnings after providing for the property value consumed or current cost adjustment to depreciation. This adjustment is partially offset by the reduction in real value, under conditions of inflation, of the principal of debt and preferred share securities used in the financing of property. This offset (known as the financing adjustment) reduces the current cost depreciation charge so that only current cost depreciation related to the Corporation's property financed by common shareholders is deducted in arriving at net earnings applicable to common shares on a current cost basis. The financing adjustment is based on the historical proportions of debt and equity existing at year end. The resulting net earnings reflect a measurement of the real return on the common shareholders' invested capital.

Measurement techniques

The current cost of property is measured using specific indexes while coal reserves are valued at their net incremental cost of replacement. The resulting current cost adjustment to property determines the current cost adjustment to common shareholders' equity. Common shareholders' equity on a current cost basis is approximately the same for the Corporation whether it is measured with reference to the specific price level changes of the Corporation's property that was used or with reference to the general purchasing power changes of the common shareholders' investment.

Depreciation is calculated on a straight line basis on these current costs. The resulting property on a current cost basis is believed to be conservatively stated in relation to the value of the property estimated in terms of replacement cost less loss in value. The Corporation's experience indicates that the application of straight line depreciation rates to current costs tends to overstate the required current cost depreciation.

Regulation

The Corporation is subject to a regulatory process which periodically establishes a fair return on investors' capital. To the extent that the regulatory process treats the Corporation's shareholders fairly, the Corporation is able to attract the capital necessary to meet its service obligations to customers. The Corporation does not expect that the regulatory authorities will allow significant competitive impairment of the maintenance of its operating capability and considers that the disclosure of the current cost of its property is appropriate.

At or for the year ended December 31		1984	1983
Net earnings applicable to common shares	Earnings on historical cost basis	\$ 183,693	\$ 148,820
	Current cost depreciation adjustment	(89,182)	(86,523)
	Financing adjustment	53,409	57,803
	Earnings on current cost basis	\$ 147,920	\$ 120,100
Property account	Land, buildings, plant and equipment		
	Historical cost basis	\$3,727,511	\$3,428,130
	Current cost adjustment	2,961,710	2,951,678
		6,689,221	6,379,808
	Less accumulated depreciation		
	Historical cost basis	646,013	545,049
	Current cost adjustment	1,084,175	811,058
		1,730,188	1,356,107
	Property on current cost basis	\$4,959,033	\$5,023,701
Common shareholders' equity	Historical cost basis	\$1,218,761	\$1,088,326
	Current cost adjustment	753,122	710,555
	Common shareholders' equity on current cost basis	1,971,883	1,798,881
	Unrealized financing adjustment	1,124,413	1,430,065
	Common shareholders' equity on current cost basis including unrealized financing adjustment	\$3,096,296	\$3,228,946
Average return on common shareholders' equity	Historical cost basis	15.9%	15.7%
	Current cost basis	7.8%	7.5%
Earnings per share	Historical cost basis	\$ 2.88	\$ 2.74
	Current cost basis	\$ 2.32	\$ 2.21
Common shareholders' equity per share	Historical cost basis	\$18.83	\$17.27
	Current cost basis	\$30.47	\$28.54
	Current cost basis including unrealized financing adjustment	\$47.84	\$51.24
Current cost accounting notes	(i) The accounting policies followed in this supplementary information are unchanged from the consolidated historical cost financial statements except for the change in the basic earnings measurement concept.		
	(ii) The Corporation's investment activity has not been stated on a current cost basis due to the nature of the investments.		
	(iii) No adjustment is made to the income tax provision since current cost depreciation adjustments and financing adjustments are not recognized by the taxing authorities.		
	(iv) The comparative figures presented above are stated in 1983 purchasing power dollars.		
	(v) Other comparative figures for 1980 to 1983 are presented in the 1984 Financial Statistical Summary which can be obtained from the Treasurer of the Corporation. The comparative figures in the Financial Statistical Summary are presented in 1984 purchasing power dollars (constant dollars) and in the purchasing power dollars of the comparative year (nominal dollars).		

Ten Year Summary

Financial Record (in thousands of dollars except where otherwise noted)		1984	1983
Statement of earnings	Electric revenue	759,145	629,429
	Other revenue	599	2,295
	Operating deductions	(462,959)	(398,023)
	Allowance for funds used during construction	77,263	97,376
	Equity income from investments	22,952	21,616
	Interest charges	(136,193)	(137,374)
	Preferred share dividend requirements	(77,114)	(66,499)
	Earnings applicable to common shares before extraordinary items	183,693	148,820
	Extraordinary items	—	—
	Net earnings applicable to common shares	183,693	148,820
Common shareholders' investment	Average common shareholders' investment (weighted)	1,155,000	885,000
	Return (before extraordinary items) on weighted average common shareholders' investment (%)	15.9	16.8
Common share information (dollars per share)	Book value (year end)	18.83	17.27
	Earnings before extraordinary items	2.88	2.74
	Dividends declared	1.48	1.38
Interest coverage (times earned before income tax)	First mortgage bonds	13.40	11.44
	All fixed charges	4.13	3.46
Assets and property account	Total assets (year end)	3,516,887	3,295,713
	Electric utility property in service (year end)	2,536,018	2,212,120
	Additions to property	306,516	491,949
Rate base	Electric utility rate base	2,434,000	1,949,092
	Allowed return on common equity invested in utility rate base (%)	15.0	15.0
	Recorded cost of capital (%)	12.3	12.1
Capitalization (year end)	Common shareholders' equity	1,218,761	1,088,326
	Preferred shares	707,810	621,932
	Long term debt	1,024,608	1,028,059
	Preferred shares of a subsidiary	120,000	70,000
		3,071,179	2,808,317

Statistical Record

Electric energy sales (millions of kWh)	Residential, general service and small industry	2,671	2,539
	Industrial	7,206	5,963
	Cities and towns under wholesale contracts	6,644	6,448
	Farms	962	904
		17,483	15,854
Generating capability (nominal net MW)	Hydro	800	800
	Thermal	3,310	2,933
		4,110	3,733
Sources of primary energy (millions of kWh)	Hydro	1,420	1,473
	Thermal — Gas	—	6
	— Coal	21,256	18,062
	Net purchases and exchanges	(3,965)	(2,398)
		18,711	17,143
Customers	Served directly	279,164	275,226
	Served indirectly through wholesale contracts	292,324	292,774

1982	1981	1980	1979	1978	1977	1976	1975
490,518	400,503	356,039	309,043	263,578	209,999	164,965	127,494
2,038	2,211	3,376	2,899	2,424	1,650	1,289	1,112
(302,134)	238,836	(226,962)	(199,531)	(169,461)	(134,510)	(107,540)	(84,044)
85,158	35,388	20,869	17,504	17,138	15,928	15,161	11,692
23,213	22,428	8,872	1,908	1,543	1,343	824	—
(110,499)	(78,356)	(60,882)	(44,089)	(41,212)	(37,415)	(32,153)	(26,793)
(53,492)	(37,113)	(27,120)	(22,984)	(19,077)	(15,952)	(11,004)	(7,520)
134,802	106,225	74,192	64,750	54,933	41,043	31,542	21,941
(33,400)	—	—	—	—	—	—	—
101,402	106,225	74,192	64,750	54,933	41,043	31,542	21,941
780,000	677,000	534,000	426,000	359,000	267,000	211,000	145,000
17.3	15.7	13.9	15.2	15.3	15.4	14.9	15.1
15.50	14.93	13.40	11.88	10.91	9.77	8.96	7.98
2.61	2.22	1.76	1.73	1.58	1.43	1.26	1.13
1.20	1.04	0.94	0.83	0.77	0.68	0.63	0.53
8.41	11.98	13.68	11.33	9.90	10.34	8.00	6.40
3.18	3.35	3.77	4.38	4.11	3.52	2.99	2.66
2,820,652	2,369,958	1,939,460	1,470,486	1,325,847	1,172,309	959,278	759,615
1,601,761	1,456,700	1,379,342	1,131,301	1,068,054	848,872	723,112	516,260
691,990	406,552	270,745	209,051	185,259	198,574	207,520	160,519
1,558,192	1,454,786	1,207,939	1,061,225	886,569	722,938	562,837	439,149
17.0	15.5	14.5	14.5	14.5	14.5	15.0	15.0
12.3	11.1	10.9	10.6	9.9	9.6	9.4	9.0
804,378	787,487	606,027	450,505	403,505	311,802	252,147	178,427
664,118	476,376	442,341	295,195	250,601	214,154	159,038	106,087
909,285	582,722	489,653	484,779	474,906	458,300	386,619	322,971
—	2,000	—	—	—	—	—	—
2,377,781	1,848,585	1,538,021	1,230,479	1,129,012	984,256	797,804	607,485
2,557	2,332	2,148	1,952	1,767	1,540	1,397	1,256
5,197	4,901	4,539	4,165	3,637	3,320	3,076	2,929
6,338	5,818	5,359	4,915	4,502	4,156	3,852	3,640
906	803	774	762	699	640	606	573
14,998	13,854	12,820	11,794	10,605	9,656	8,931	8,398
800	800	800	800	800	800	800	800
2,556	2,556	2,556	2,197	2,197	1,845	1,493	1,141
3,356	3,356	3,356	2,997	2,997	2,645	2,293	1,941
1,584	2,027	1,692	1,408	1,824	1,518	1,731	1,415
19	3	—	17	5	9	239	337
16,379	14,276	13,729	12,627	10,240	9,833	7,547	6,953
(1,785)	(1,332)	(1,435)	(1,204)	(502)	(701)	294	487
16,197	14,974	13,986	12,848	11,567	10,659	9,811	9,192
267,001	264,497	253,333	241,615	227,947	212,709	198,558	184,740
279,722	274,255	271,134	257,365	226,289	215,589	202,684	190,978

A Financial Statistical Summary providing additional financial information on the Corporation over a ten year period is available on request. Please direct inquiries to the Treasurer of the Corporation.

The Corporation's Board of Directors assemble on the stairs of TransAlta Two, the Corporation's new office building, before attending a meeting.



Corporate Information

TransAlta Utilities Directors

R. G. BLACK, Q.C.
Partner, Black & Company
Calgary, Alberta

T. S. DOBSON*†
Chairman
Easton United Securities Ltd.
Calgary, Alberta

D. D. DUNCAN, Q.C.
Partner, Duncan & Craig
Winterburn, Alberta

J. T. FERGUSON*
President and Chief Executive Officer
Princeton Developments Ltd.
Edmonton, Alberta

D. J. GORDON
Corporate Consultant
Willowdale, Ontario

A. W. HOWARD*
Corporate Consultant
Calgary, Alberta

J. W. MADILL†
Chief Executive Officer
Alberta Wheat Pool
Calgary, Alberta

G. J. MAIER
President and Chief Executive Officer
Bow Valley Industries Ltd.
Calgary, Alberta

W. J. McCARTHY
Senior Vice-President
Sun Life Assurance Company of Canada
Toronto, Ontario

H. J. S. PEARSON†
Chairman of the Board and
Chief Executive Officer
Century Sales and Service Limited
Edmonton, Alberta

R. F. PHILLIPS, F.C.A.*
Corporate Consultant
Calgary, Alberta

R. A. THRALL, JR.
President
McIntyre Ranching Co. Ltd.
Lethbridge, Alberta

M. M. WILLIAMS
Chairman of the Board and President
Calgary, Alberta

* Member of Audit Committee
† Member of Compensation
Committee

TransAlta Utilities Officers

M. M. WILLIAMS
Chairman of the Board and President

W. L. FRASER
Senior Vice-President,
Resource Planning

K. F. McCREADY
Senior Vice-President, Operations

H. G. SCHAEFER
Senior Vice-President,
Financial and Corporate Planning

E. J. BARRY
Vice-President, Planning

R. E. BERGEN
Vice-President, Administration

M. J. HALPEN
Vice-President, Human Resources

F. A. R. McKINNON
Vice-President, Finance

W. NIEBOER
Vice-President, Engineering

W. SAPONJA
Vice-President, Power System Operations

K. G. TEARE
Vice-President,
Customer Service Operations

R. G. BLACK, Q.C.
General Counsel

R. L. McCRIMMON
Corporate Secretary

W. A. VERES
Treasurer

TransAlta Resources Directors

R. G. BLACK, Q.C.

A. W. HOWARD

W. J. McCARTHY

R. F. PHILLIPS, F.C.A.

H. G. SCHAEFER

M. M. WILLIAMS

TransAlta Resources Officers

M. M. WILLIAMS
Chairman of the Board

H. G. SCHAEFER
President

F. A. R. McKINNON
Vice-President

R. L. McCRIMMON
Secretary

W. A. VERES
Treasurer

Head Office

110 - 12 Avenue South West
Calgary, Alberta

Postal Address

Box 1900, Calgary, Alberta,
T2P 2M1

Auditors

CLARKSON GORDON
Chartered Accountants, Calgary

Southern Alberta Advisory Board

T. A. BLAND
President
Terry Bland Photography
Lethbridge, Alberta

G. H. BODMER
Project Co-ordinator
Regional Resources
Project No. 1
Carbon, Alberta

W. S. DALEY
Rancher
Granum, Alberta

W. H. HUNLEY
Business Person
Rocky Mountain House, Alberta
(Resigned to assume position of Lieutenant-Governor of Alberta)

L. P. MAXIE
Consultant
L. Peter Maxie and Associates
Calgary, Alberta

G. W. MITCHELL
Rancher
Pincher Creek, Alberta

P. SHIMBASHI
President
Diamond S. Produce Ltd. and
Newell Vegetable (1980) Ltd.
Taber, Alberta

MRS. G. M. TAYLOR
Editor
Rocky View/Five Village Weekly
Irricana, Alberta

Northern Alberta Advisory Board

E. W. BERESFORD
Manager, Planning & Regulatory Affairs
Obed Mountain Coal Company Ltd.
(Union Oil)
Hinton, Alberta

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G. C. DOCKEN
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Strathcona Industrial Group
Edmonton, Alberta

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Dairy Farmer
Stony Plain, Alberta

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Operations Manager
Fleming Cats Ltd.
Lac La Biche, Alberta

R. H. M. PLAIN
Associate Professor of Economics
University of Alberta
St. Albert, Alberta

W. H. VAN DE WALLE
Farmer
Legal, Alberta

G. G. WETSCH
Lawyer, Peterson Ross
Barristers and Solicitors
Spruce Grove, Alberta

Transfer Agents and Registrars**For First Preferred Shares:**

CENTRAL TRUST COMPANY
Vancouver, Calgary, Edmonton
Winnipeg, Toronto, Montreal
Montreal Trust Company, Regina as
Agent of Central Trust Company

**For Second Preferred and
Common Shares:**

MONTREAL TRUST COMPANY
Vancouver, Calgary, Edmonton,
Regina, Winnipeg, Toronto, Montreal

Trustees and Registrars**For First Mortgage Bonds:**

MONTREAL TRUST COMPANY
Vancouver, Calgary, Toronto, Montreal

For Debenture Issues:

THE ROYAL TRUST COMPANY
Vancouver, Calgary, Toronto, Montreal

**For Dividend Reinvestment and
Share Purchase Plan; and Stock Dividend
Accumulation Plan:**

MONTREAL TRUST COMPANY
Calgary

Province of Alberta

Showing TransAlta's
service area



